



Policy Title	Performance Management
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Approval	State Personnel Director
References	IC 4-15-2.2-12 IC 4-15-2.2-15 IC 4-15-2.2-34 IC4-15-2.2-36 IC 20-28-9 IC 20-28-11.5

PURPOSE

To facilitate the creation and nurturing of a performance-based culture where the individual employee's performance is aligned with agency and administration objectives, and employees are rewarded for the results they achieve.

SCOPE

This policy applies to employees in the state civil service.

POLICY STATEMENT

Everyone is responsible for implementation and administration of the performance management process defined in this policy and its accompanying procedure.

Performance management defines the relationship that should exist between state employees and their supervisors. It is an interactive process where agency leadership communicates the agency's strategic vision and objectives to every manager, supervisor, and employee who then develop program, division, and individual goals designed to achieve the agency's strategic objectives. The agency's strategic objectives should cascade down to the employees in such a way that there is a clear path connecting individual goals to the agency plan. To be effective, employees must understand how their work contributes to the success of the organization.

Agency leaders must send a clear and unequivocal message to all employees that performance matters. Each employee at every level of the organization must be held accountable for their participation in this process. Leaders are also obligated to provide sufficient resources for the training and support of all supervisors and managers in the essential components of employee level performance management. Successful implementation of performance management will enable agencies to create and sustain a performance-based, high-achieving culture.



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Key components include:

- The setting of clear annual performance expectations for each employee linked to the desired outcomes defined in the agency's strategic plan. Performance expectations must be specific, measurable, achievable, and timely and expressed as an outcome or result.
- Regular, ongoing coaching, feedback, and communication with employees.
- Regular written performance appraisals completed annually, at a minimum, in which the employee's actual performance is assessed relative to the performance objectives and is described using specific facts and situations.
- Timely, meaningful recognition and reward of desired performance to include, when the State's fiscal condition permits, an annual performance based increase to base salary tied to the performance rating on the appraisal.
- Timely corrective action when performance is not meeting expectations.

DEFINITIONS

Annual Appraisal – the performance evaluation conducted once a year maintained in an employee's permanent record.

Appointing Authority – Agency head or designee who is responsible for final review and authorization of performance appraisal. A performance appraisal is not final and cannot be shared with the employee until signed by this individual.

BARS – stands for Behaviorally Anchored Ratings Scale. It is the set of observable or measurable behaviors against which employees are evaluated to measure performance on the Competencies established in the work profile.

Competencies – the behaviors, skills, and abilities required for success. Some Competencies are universal for all state employees; others are discretionary, based on the needs of the classification and agency. The universal competencies are job knowledge, customer service, and teamwork.

Evaluator – the first line supervisor responsible for conducting the performance management process.

Exceeds Expectations – the performance rating given to employees who exhibit high overall performance, routinely go beyond what is expected in order to substantially surpass all of their key performance expectations/goals, and will have met or exceeded expectations on all the Competencies.

Meets Expectations – the performance rating given to employees who (1) have achieved success in meeting all of the performance expectations/goals that are important to his or her job, and (2) will have demonstrated a satisfactory competence in all the Competencies.

Goal/Objective – statement of desired outcome or result along with the plan to achieve the desired outcome. A goal or objective should be SMART -- Specific, Measurable, Achievable, Relevant, and Timely. Performance expectations are expressed as goals or objectives.



Interim Appraisal – evaluations conducted when an employee goes on a leave of more than 30 days and as needed during the review period for communication purposes or to re-evaluate an employee’s performance plan. It is recommended that an interim appraisal be done when an employee changes supervisors and at least once in the middle of the review period.

Needs Improvement – the performance rating given to employees who sometimes perform at an acceptable level but are not consistent and need improvement to meet expectations.

Outstanding – the highest possible performance rating given to an employee who consistently exceeds expectations on all evaluation factors.

Performance Expectations – the set of criteria by which an employee’s performance will be evaluated, expressed as outcome-based, measurable goals or objectives.

Reviewer – the individual who reviews all written appraisals to ensure that they are objective, accurate, and supported by facts. Typically the reviewer is the intermediate supervisor or member of human resources staff.

Review Period – the period of time over which the performance of the employee is assessed in a performance appraisal. That review period is typically the calendar year (January 1 through December 31), unless an agency has established another review period that better meets operational needs.

Teacher Rating Scale – institutional teachers employed in classifications of Institutional Teacher, Substitute Teacher, Teacher of the Deaf, Supervising Teacher of the Deaf, and Teacher of the Blind and Visually Impaired, including those serving as Assistant Principals, at the Indiana School for the Blind and Visually Impaired, the Indiana School for the Deaf, and juvenile facilities under the Indiana Department of Correction will receive ratings of (A) Highly effective, (B) Effective, (C) Improvement necessary, or (D) Ineffective.

Does Not Meet– the performance rating given to employees who fail to achieve any one or more key performance expectations/goals or cannot demonstrate proficiency in the Competencies needed for the job.

Work Improvement Plan – an explicit action plan designed to correct performance deficiencies within a specified time period.

Work Profile – the identification of performance expectations, developmental needs, and required competencies for an employee in the upcoming review period and documented on the Employee Work Profile and Performance Appraisal Report form.

Working Test Period – the initial period of time after appointment to a classification in the state classified service during which time it is determined whether the employee’s services have been satisfactory and whether the appointing authority will continue the employee’s employment.



Working Test Period Appraisal – a full performance appraisal conducted at least once during the working test period for employees in the classified service.

RESPONSIBILITIES

Employees are responsible for:

- Participating in all phases of the performance management process to include understanding their performance expectations, how the performance expectations will be measured, and how the performance expectations relate to the Agency's strategic objectives;
- Performing their work in a way that meets or exceeds performance expectations;
- Communicating successes and problems to their supervisors to assist their supervisor in measuring their progress; and
- Asking questions about their job, their performance expectations and the performance measures to obtain clarification or additional information.

Employer is responsible for:

- Establishing an Agency strategic plan which is tied to the Administration's strategic objectives and communicating the agency's plan to employees;
- Translating the Agency strategic plan into individual employee goals that are specific, measurable, achievable, and framed as outcomes or results;
- Meeting with every employee at least annually to set measurable performance goals and documenting the goals on the appropriate form;
- Providing regular, frequent coaching and feedback to employees;
- Identifying development needs of each employee and establishing plans to address those needs;
- Reporting an overall service rating for each employee no less than once each calendar year and documenting that rating in the employee's personnel file;
- Conducting working test period appraisals whenever required in the state classified service; and
- Conducting an interim performance appraisal whenever warranted, but in any case where performance issues indicate a Work Improvement Plan is necessary, and when an employee transfers, demotes or promotes resulting in a move to a new supervisor, and when an employee takes a leave of absence in excess of thirty (30) calendar days.

PROCEDURES

FOR EACH REVIEW PERIOD

1. Supervisors and employees shall discuss expectations and performance standards to ensure that each understands what tasks must be performed and outcomes must be achieved. Quality, quantity and timeliness standards should be determined and defined in a measurable way using SMART goals.

2. Regular discussion throughout the review period is recommended for tracking the employee's progress toward achieving the performance expectations/goals. This will provide the supervisor with information necessary for regular, specific feedback and coaching and the employee with an opportunity to ask questions and clarify expectations, measurements, and how they relate to the Agency's strategy.



3. Supervisors shall conduct an evaluation of each employee's performance throughout the review period and document an overall appraisal rating and any individual ratings assessed for specific competencies, expectations and goals.
 - a. The impact of absences on the production standards for timeliness and quantity of work may be considered when determining ratings except those absences designated as family-medical leave or leave for military service shall not be deemed to have any negative impact on an employee's performance. **Absences due to military service or family-medical leave must be counted and appraised as if the employee were working and performing at the same level as s/he performed when not on leave.**
 - b. In order to effectively manage performance and workloads throughout the year, supervisors should complete an Interim Performance Appraisal Report evaluating employees at the time the leaves are approved for any leave of absence anticipated to last more than thirty (30) calendar days. This requirement applies without regard to the reason for the absence.
 - c. Employees who transfer between state agencies that are both in the state civil service are eligible for a full performance increase commensurate with the overall rating assessed on their performance appraisals. The receiving agency is responsible for preparing a performance appraisal on the annual review schedule and for gathering relevant information about the employee's performance at the previous agency to include in the appraisal.
 - d. Employees who transfer into an entity not in the state civil service (e.g., separate bodies corporate and politic, legislative or judicial branches) are subject to the performance review period and policy decisions of that entity, regardless of the timing of the transfer.

RATING SCALES

The State Personnel Director has established a uniform rating scale for the Performance Appraisal as a whole consisting of five (5) levels, and it shall be used by every Agency covered by this Policy and Procedure. The five overall ratings are: Does Not Meet, Needs Improvement, Meets Expectations, Exceeds Expectations, and Outstanding. They are defined in the Definitions section above. Action should be taken to address the deficiencies of an employee who receives an overall rating of either Does Not Meet or Needs Improvement. Appropriate action should be based on all of the circumstances and may include imposition of a Work Improvement Plan, reassignment to a position which better suits the employee's skills (which may result in a demotion or salary reduction) or termination of employment. Behavior being addressed through disciplinary action which affects ratings should continue to be addressed using the discipline process.

Classroom teachers will receive ratings of (A) Highly effective, (B) Effective, (C) Improvement necessary, or (D) Ineffective.

USE & REPORTING OF SERVICE RATINGS

Grade inflation is a common side effect of performance appraisals. It is incumbent upon managers to accurately assess each employee's performance and contribution to agency goals and apply the rating scale appropriately. Overall ratings are the first criteria for determining which staff are subject to layoff or furlough and are tied to salary increases in base pay. Budgetary constraints must be observed as there is a finite amount of money available for pay raises. Properly



delineating each employee's performance and allocating available resources effectively is an essential function of supervisors and managers.

An overall service rating for each employee must be recorded no less than once each calendar year in the employee's personnel file.

PAY FOR PERFORMANCE INCREASES

Each year the State Personnel Director, Budget Director and the Governor will determine whether funds are available and, if so, the amount of pay increases associated with the overall rating scale.

Employees who worked at least six (6) months during the review period are eligible for pay for performance increases for that review period based upon their overall rating. For purposes of this calculation, 6 months' work means consecutive or non-consecutive calendar period(s) spanning 180 days where the employee was either present at work performing duties or absent using accrued military, family-medical, or new parent leaves. Time spent under Option 3 (using accrued leave in lieu of disability benefits) is also counted as time worked; however, time spent on disability under Options 1 and 2 is not except for any time charged concurrently to family-medical leave.

However, be careful not to treat state employees who are new to your agency (e.g. transfers) as if they are new to state government. Any employee who meets the eligibility requirements – regardless whether they meet them in just one agency or a combination of agencies – must receive an annual appraisal from the agency to which s/he is assigned at the end of the review period.

Effective date(s) for pay increases will be determined annually. All pay for performance increases will be effective on the designated date whether or not the affected employee is on leave.

SPECIAL CIRCUMSTANCES

Classified Service

Classified employees are to receive a Working Test Appraisal at 6 months, along with a decision whether to: (1) grant status in that classification, (2) extend the Working Test, or (3) terminate employment. Unclassified employees are employed "at will" and are not eligible for any additional employment rights at 6 months of employment. It is appropriate and necessary that feedback and coaching is provided to all new employees early in their tenure and throughout the year.

Classroom Teachers

Institutional Teacher, Substitute Teacher, Teacher of the Deaf, Supervising Teacher of the Deaf, and Teacher of the Blind and Visually Impaired, including those serving as Assistant Principals, employed by the Indiana School for the Blind/Visually Impaired, Indiana School for the Deaf, or Indiana Department of Correction are evaluated pursuant to a system different than other State employees. The State teacher evaluation system will give consideration to the legislative policy governing school corporations, IC 20-28-11.5.

The Pay for Performance increase plan for State institutional teachers will be determined by the State Personnel Director, State Budget Director, and Governor. The pay for performance increase



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plan for State institutional teachers will give consideration to the legislative policy that governs school corporations, IC 20-28-9.

ADDITIONAL INFORMATION AND FORMS

The State Personnel Department maintains a Performance Management page on its web site, and all employees are encouraged to visit it frequently for up-to-date information. It is <http://www.in.gov/spd/2394.htm>.

State Personnel also offers training on Performance Management. Check the INSPD web site at <http://www.in.gov/spd/2366.htm>.

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